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KYRGYZ REPUBLIC TRANSITION INITIATIVE

ANNUAL PERFORMANCE REPORT
OCTOBER 1, 2011 – SEPTEMBER 30, 2012



October 10, 2012

This report was produced for review by the United States Agency for International Development (USAID). It was prepared by International Resources Group (IRG).

COVER PHOTO: A print screen photo from one episode of Radio Azattyk's investigative program, "Inconvenient Questions." This episode addressed the mining industry in Chon Alay. A Chinese mining company operating in Yshtamberdi village of Jalal-Abad oblast in southern Kyrgyzstan allowed Radio Azattyk inside the mine for the first time. With support from USAID/OTI, Azattyk strengthened its coverage with an investigative TV format and "on-the-ground" footage.

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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I. PROGRAM DESCRIPTION

In May 2010, USAID's Office of Transition Initiatives (OTI) launched a program in the Kyrgyz Republic in response to the country's political crises. Popular demonstrations in April led to the ouster of former President Kurmanbek Bakiyev. Given this window of opportunity, the U.S. Government was able to further demonstrate its support of democracy in Central Asia by supporting efforts aimed at establishing transparent, accountable and effective governance at both national and local levels. The violence and mass displacements stemming from the June 2010 events in the southern part of the country highlighted the need for immediate and targeted assistance to address emerging sources of instability and conflict within communities that have the potential to derail the ongoing democratic transition. The constitutional referendum, followed by parliamentary, presidential, and local elections, represent critical milestones to establishing a more stable and secure democracy. During this critical period of transition, the USAID/OTI program in the Kyrgyz Republic is supporting the country's efforts by encouraging democratic processes and helping to build trust both within communities, and between citizens and government.

The USAID/OTI program provides small grants to civil society, government, and private sector partners to implement high-impact, short-term projects in volatile communities. The USAID/OTI model is designed to be fast, flexible and responsive to a dynamic environment. It allows partners to implement pilot initiatives and catalytic projects that build momentum for continued long-term development.

With the ongoing political transition due to the recent changes in the government and upcoming local elections, USAID/OTI will continue working with local and international stakeholders to consolidate democratic governance and ensure social and political stability in the Kyrgyz Republic.

COUNTRY OBJECTIVES

USAID/OTI is supporting the Kyrgyz Republic's efforts to establish a more stable, secure democracy, while laying the groundwork for continued long-term development. The program provides targeted assistance in volatile communities in order to achieve the following objectives:

- Support the ongoing democratic political transition at the national and local level, and
- Address emerging sources of instability and drivers of conflict at the community level.

PROGRAM CLUSTERS

Early in Year 2, Kyrgyz Republic Transition Initiative (KRTI) began to aggregate and analyze activity-level outcomes through the lens of a series of six activity clusters that form the basis of KRTI's program-level analysis and M&E and help to draw a relationship between KRTI's activities and strategic objectives. The six clusters are:

- Increase access to reliable and objective information to reduce the impact of rumors and inform citizen decision-making

- Expand opportunities for youth and other vulnerable populations to engage in constructive and productive activities at critical times
- Improve the responsiveness and accountability of government through inclusive decision-making and citizen engagement
- Promote interaction that encourages diversity and pluralism in formal and informal institutions
- Strengthen the capacity of civil society—especially women and youth—to assess, prevent, mediate, and mitigate conflict
- Stimulate economic recovery and expand opportunities in marginalized and volatile communities

OTI Transition Advisor Lauren Sweeney helped to develop the cluster framework, which was rolled out for the Strategy Review Session (SRS) held in March 2012. OTI is currently studying plans for updating the cluster evaluation framework to incorporate new data.

2. COUNTRY SITUATION

A YEAR IN RETROSPECT

Year 2 of KRTI began with a critical milestone in Kyrgyzstan's ongoing political transition. The October 30, 2011 presidential election, the first since the June 2010 constitutional referendum, established Central Asia's first parliamentary system of governance. The election demonstrated pronounced regional divides, with Adahan Madumarov receiving the majority of votes in Batken oblast, Kamchybek Tashiev gaining the majority in Jalalabad oblast, and Almazbek Atambaev garnering the most votes in the north.¹ This voting pattern also suggested fragmentation among southern candidates who were unable to unify their support behind a single candidate.²

Nevertheless, Atambaev was sworn into office as the next President of the Kyrgyz Republic in early December 2011,³ and several weeks later the Social-Democrat Party of Kyrgyzstan (SDPK) – of which Atambaev was a former member – formed a 92-deputy majority coalition with the Respublica, Ar-Namys, and Ata-Meken parties. In late December, Parliament approved a new government structure, with 14 ministries, 1 state committee, 6 state agencies, 8 departments, and 3 funds, and elected Omurbek Babanov as Prime Minister.

Civil society activists and the business community immediately pressed the newly elected President and government to implement a series of reforms within 100 days. In response, the government developed an action plan called “Stability and Life of Dignity,” which was approved on January 25, 2012. The ambitious plan consisted of 57 separate actions, some of which were to be accomplished in 100 days' time, and others by the end of 2012. According to Prime Minister Omurbek Babanov, the plan would enable the national government to “make significant changes in state administration, rather than ‘skin-deep’ reforms...by March 30, 2012.” Overall, it called for specific, targeted reforms, as well as broader, systematic, strategic development reforms.

One of the areas targeted in the action plan was the fight against corruption. On February 2, 2012, President Atambaev approved a “State Anti-Corruption Strategy and Counteraction Measures”⁴ (hereinafter, Anti-Corruption Strategy) to mobilize national and local government and civil society actions to eliminate corruption. A poll conducted by the International Republican Institute (IRI) in late April showed that 96% of respondents believed the traffic safety department of the Ministry of Internal Affairs (MIA) to be the most corrupt government body.⁵ Other government institutions were rated as follows: militia (95%), higher education institutions (92%), customs departments (90%), General Prosecutor's Office (87%), Tax Service (86%), and Financial Police (83%)⁶.

¹ <http://www.24.kg/election2011/113031-nurbek-omuraliev-vybory-prezidenta-kyrgyzstana.html>

² <http://www.24.kg/glance/113037-nezavidnaya-pobeda-atambaeva.html>

³ Atambaev received a clear majority with 62.5% of the votes, ahead of Adahan Madumarov (14.8%) and Kamchybek Tashiev (14.3%)

⁴ http://anticorr.mvd.kg/index.php?option=com_content&view=article&id=36%3A2012-02-20-08-44-40&catid=118%3A2012-02-20-05-56-40&Itemid=44&lang=ru

⁵ <http://www.knews.kg/ru/action/14882/>

⁶ <http://kg.akipress.org/news:508171>

In August 2012, the Ministry of Internal Affairs' (MIA) Anti-Corruption Department reported on 311 cases of corruption revealed jointly with the General Prosecutor's Office (GPO) in the first six months of the year. Some of the cases concerned the former Minister of Social Development Ravshan Sabirov, MP Nurlan Sulaimanov, and Deputy Minister of Social Development Gulbara Derbisheva.⁷ While the government introduced several changes to eliminate corruption, such as prohibiting traffic police officers from discussing traffic rules with alleged violators over the phone and abolishing several examination and authorization procedures of vehicle registration, civil society actors thought these measures were mere short-term substitutes to real systemic reforms.⁸ The Civic Alliance for Reforms and Results (an informal union of civil society actors) believed more straightforward changes should be stipulated in the revised legislation. After the initial attempt to develop a single concept (between the civil society, an Interdepartmental Commission, and the MIA) to reform the MIA, the Civic Alliance decided to put forward its own independent proposal to Parliament, to ensure that the voice of the civil society was heard.

While Prime Minister Babanov demonstrated his government's commitment to anti-corruption reform, allegations periodically surfaced about Babanov's personal involvement in corruption. Omurbek Tekebaev, the leader of Ata-Meken party, accused Babanov of accepting a bribe from a Turkish company; Babanov countered by accusing Tekebaev and his party of involvement in looting at the time of the April 2010 events. These mutual accusations led to the withdrawal of Ata-Meken and Ar Namys from the parliamentary coalition and the subsequent dissolution of the majority coalition and the fall of Babanov's government. A new government was formed soon thereafter between a coalition comprised of the SDPK, Ata Meken and Ar Namys parties, which was headed by Ar Namys' Felix Kulov.⁹ Respublika and Ata Jurt formed a minority coalition. On September 12, 2012, a new cabinet was sworn in, with Jantoro Satybaldiyev appointed the new Prime Minister. Satybaldiyev had previously served as head of Atambayev's administration.

In addition to these recent instances of political turbulence, the Kyrgyz Republic also faces a number of challenges in judicial reform,¹⁰ local elections,¹¹ and likely power blackouts in the winter season.¹² With over one million energy consumers in the country, the sector is heavily wrought with corruption, both in terms of energy provision and consumption.

INTERNAL SECURITY

During the 12 months represented in this reporting period, the security situation has remained generally stable with scattered protests. Nevertheless, an internet survey conducted on December 22 by the 24.kg information agency revealed that 85 percent of respondents did not feel legally protected in Kyrgyzstan, either because laws are not implemented or are interpreted differently from case-to-case. More than 42 percent felt "completely unprotected in front of the government," and more than 33 percent said the Constitution was never observed and 25 percent agreed with the statement, "I don't know why they write and rewrite it if no one really cares a straw." Additionally, more than 40 percent of respondents felt

⁷ <http://www.knews.kg/ru/action/19952/>, <http://www.knews.kg/ru/action/21008/>

⁸ <http://www.24.kg/community/122085-grazhdanskic-aktivisty-miliciya-kyrgyzstana.html>

⁹ http://rus.azattyk.org/content/kyrgyzstan_parliament/24696385.html

¹⁰ <http://kg.akipress.org/news:560352>

¹¹ <http://www.knews.kg/ru/politics/18859/>

¹² <http://www.barakelde.org/news:34545>

the same about the protection of human rights. Specifically, more than 53 percent of respondents stated that ordinary people had no rights at all.¹³

Immediately following the presidential election on October 30, 2011, supporters of candidates Madumarov (Butun Kyrgyzstan) and Tashiev (Ata Jurt party) demanded electoral re-counts in Osh and Jalalabad and refused to acknowledge the election results. Two months later, Tashiev and Madumarov announced the merger of their parties into a so-called “southern opposition.” Several protests took place in Osh, Batken and Jalalabad, calling for the formation of a new government.¹⁴ Following the spring local elections, additional protests took place in Tokmok, Karakol, and Osh.

Several protests centered on allegations of mining manipulation and fuel delivery. In early May, residents of Orlovka village (Chuy Oblast) protested against the Altynken Ltd. mining company, insisting that the company provide social assistance and employment opportunities for local community members.¹⁵ Similar protests involving local youth in several villages in Issyk-Kul oblast started in late May, blocking the road to Kumtor, the country’s largest gold mining company. In September, a live tender organized by the State Agency for Geology and Natural Resources to sell mining licenses was disrupted at the state broadcaster OTRK. The protest was led by a nationalist movement called “New Forces of Kyrgyzstan.”¹⁶ Other more recent protests in Bishkek have called for the dissolution of Parliament,¹⁷ expelling several MPs,¹⁸ and closing the Belarusian Embassy. Belarus has resisted requests by Kyrgyzstan to extradite former President Kurmanbek Bakiyev’s brother, Janysh Bakiyev, who is accused of murdering the former Chief of Presidential Administration.¹⁹

Kamchybek Tashiev, the nationalist leader of the Ata-Jurt party and a prominent contender for Kyrgyzstan’s presidency in 2011, was jailed on October 3, 2012, after rallying a group of young men to storm over the fence surrounding parliament in Bishkek, demanding the nationalization of the country’s largest goldmine. His initial jail term is to last two months while the case is investigated. Continuing protests in Jalal-Abad (near Tashiev’s home village) and smaller protests in Osh have failed to provoke large-scale popular indignation.

The recent wave of violent protests around the Muslim world, sparked by video defaming the Prophet Muhammad, did not trigger major protests in Kyrgyzstan. Approximately 20 protestors gathered near the U.S. Embassy in Bishkek on September 25, insisting that the American President denounce the video and remove it from the internet.²⁰

¹³ <http://www.24.kg/community/117267-bolee-85-procentov-oproshennyx-chitatelej-ia.html>

¹⁴ <http://kg.akipress.org/news:499901>

¹⁵ http://www.vb.kg/news/accidents/2012/06/01/190482_yvd_v_slychae_protivozakonnyh_deystviy_mitingyushih_protiv_kymtora_primem_mery.html

¹⁶ <http://www.24.kg/incidents/135599-v-kyrgyzstane-pervyj-aukcion-po-prodazhe-licenzij.html>

¹⁷ http://www.vb.kg/news/politics/2012/09/03/198281_poltora_desiatka_mitingyushih_y_belogo_doma_trebyut_raspystit_parlament.html

¹⁸ <http://www.kabar.kg/society/full/39742>

¹⁹ <http://www.imperiya.by/news.html?id=96820>

²⁰ <http://eng.24.kg/community/2012/09/25/25824.html>

UPCOMING EVENTS

The following events will potentially influence impact the direction of OTI programming in the coming fiscal year (October 2012 – September 2013):

- Elections to local and city councils at the end of November 2012;
- Continuing efforts to reform the process of appointing judges at the national and local levels;
- Ongoing efforts by the national government to reform the law enforcement system and address corruption;
- Expected energy shortages and/or cuts during the winter heating season;
- Growing dissatisfaction towards mining companies around the country;
- Possible new calls for another dissolution of parliament;
- Spring sowing season and the potential for fuel shortages and fuel price escalations;
- Program Performance Review (PPR);
- OTI CR, IRG COP/DCOP transition;
- Annual Strategy Review Session (SRS);
- Legacy discussions in March/April 2013;
- Grants closings; and
- Project closeout and handing over key elements to other USAID partners.

3. GRANTS SUMMARY

During the period from October 1, 2011 to September 30, 2012, OTI, through its implementing partner International Resources Group (IRG), funded 137 small grants totaling \$6,233,895. The number and size of grants by grant component are shown in the following tables.

Grant components	Number of Cleared Grants (Oct. 2011-Dec. 2011)	Number of Cleared Grants (Jan. 2012-March 2012)	Number of Cleared Grants (April 2012-June 2012)	Number of Cleared Grants (July 2012-Sept. 2012)	Grant Amounts in Year II (Oct. 2011-Sept. 2012)	Number of Cleared Grants (total to date; May 2010-Sept 2012)
Mitigate Conflict	13	20	14	9	56	160
Improve Governance	9	24	18	30	81	130
Total grants	22	44	32	39	137	290

Grant components	Grant Amounts (Oct. 2011-Dec. 2011)	Grant Amounts (Jan. 2012-March 2012)	Grant Amounts (April 2012-June 2012)	Grant Amounts (July 2012-Sept. 2012)	Grant Amounts in Year II (Oct. 2011-Sept. 2012)	Grant Amounts (total to date; May 2010-Sept. 2012)
Mitigate Conflict	\$330,201.16	\$1,136,082.70	\$822,834.00	\$366,134.79	\$2,655,252.65	\$9,196,498.06
Improve Governance	\$367,153.77	\$1,600,828.66	\$663,402.65	\$937,256.88	\$3,586,641.96	\$5,878,235.89
Total grants	\$697,354.93	\$2,736,911.36	\$1,486,236.65	\$1,303,391.67	\$6,233,894.61	\$15,074,733.95

4. HIGHLIGHTS

During this 12-month reporting period, KRTI reassessed and adjusted its objectives and strategy in response to changes in the political landscape and the emerging needs of the country. These recalibrations can be traced over time through key milestones, namely key political events and internal KRTI reviews, sessions, and exercises.

In late 2011, KRTI supported efforts related to the October 2011 presidential election, including nationwide media monitoring (BIS171 and BIS173) and voter education (BIS169). At the local level, KRTI supported the efforts of ethnically diverse civil society organizations and youth groups to observe pre-election preparations and Election Day processes in three southern oblasts (OSH069).

In December 2011, the OTI-IRG Senior Management Team (SMT) and the Bishkek program team held a targeting exercise and decided to conduct more community meetings in/near Bishkek to assess the potential for new partnerships in areas where the OTI approach adds the greatest value, increases community participation, and elicits grantee contributions. The team also decided to reconsider programming in Talas oblast, which had been troubled by violence and citizen resentment towards the growing gold mining industry.

KRTI held its second Program Performance Review (PPR) in January 2012. The PPR team, comprised of Ben Rempell (USAID/OTI Deputy Country Representative for Lebanon), Lauren Sweeney (USAID/OTI Transition Advisor) and Thomas W. Stukel (USAID/ OTI Senior Field Advisor). The PPR confirmed that KRTI was pro-actively coordinating with the right local partners, international organizations and USG agencies, including USAID and the U.S. Departments of State and Defense. While the KRTI programming in the south was thought to be targeted and focused, the PPR recommended moving away from community-level initiatives in the north in order to place a greater emphasis on national-level issues related to media, advocacy, and government accountability initiatives.

The project's third Strategy Review Session (SRS) was held in March 2012. The SRS provided an opportunity to identify national-level issues through which KRTI could generate the most impact in the remaining months. Several possible guiding themes for a national-level strategy were identified, including the lack of access to reliable information (on issues such as energy, human rights, rule of law, and corruption), the north-south divide, and the lack of public confidence in government. The SMT facilitated discussions on the Path to Closeout – the timeline and critical milestones of programmatic and operational actions leading up to final program closure – and Celebrating Our Achievements – acknowledging the program's successes, capturing lessons learned, and paying tribute to the team.

During the PPR and the SRS, the project was on schedule to close in December 2012, however in April, USAID/OTI elected to extend the project for another year (until December 2013). This decision was due, in part, to the sense that the ongoing political transition in Kyrgyzstan could potentially threaten the country's democratic processes and undermine the USG's efforts in the region. USAID and OTI saw a clear opportunity for KRTI to leverage an additional year in programming to consolidate its impact to date and further support the Kyrgyz Republic's efforts to establish a more stable, secure democracy, while laying the groundwork for continued long-term development.

Given the project extension, IRG and OTI facilitated targeting exercises in Bishkek and Osh in late April 2012 and early May. The purpose of these exercises was to review strategic approaches to national and southern program development. The extension allowed KRTI to slow down and focus on strategic priorities while developing higher quality projects. In particular, KRTI supported efforts to increase access to information on mining and electricity issues, bolster the government's anti-corruption efforts, and boost civil society's efforts to increase accountability within the MIA (BIS211, OSH116/BIS237). Several grants were provided to media organizations to boost their capacity in providing reliable and independent information on controversial national issues.

In June 2012, a Rolling Assessment was held in Osh. The two program teams convened in Osh to further discuss national level programming and to "institutionalize a culture of collaboration between the program teams." The assessment provided an opportunity to consider activities that were not possible prior to the news of the extension to December 2013.

THEMATIC HIGHLIGHTS

Social Media. Throughout the fall of 2011 and until the summer of 2012, OTI conducted a series of events with high ranking U.S. Government officials and Kyrgyz government officials, many of which were captured on Flickr and the Facebook pages for USAID/Central Asian Republics (<http://www.facebook.com/USAID.Central.Asian.Republics>) and the U.S. Embassy (<http://www.facebook.com/usembassy.bishkek>). Some of the distinguished participants included U.S. Ambassador Pamela L. Spratlen; USAID Senior Deputy Assistant Administrator for the Asia Bureau, Denise Rollins; USAID Assistant Administrator, Nisha Biswal; Deputy Assistant Secretary of State, Susan Elliott; and National Security Council Director for Central Asia, Lynne Tracy. Many of these activities were part of the Renewal campaign to encourage constructive and productive activities for youth, provide economic stimulus for at-risk communities, revitalize public spaces, and strengthen ties among the country's multicultural communities.

Video Interviews. Over the course of this 12-month reporting period, KRTI conducted several highly successful video interviews with past and ongoing grantees, such as the national NGO "Coalition for Democracy and Civil Society", media company "Kaarman and Partners", NGO "ErEp", and research company "M-Vector". OTI plans to use the videos as part of an online training/orientation toolkit for new OTI staff members. All of the interviewees expressed appreciation for OTI's flexibility and responsiveness to emerging sources of instability, particularly in areas where other donors were not able to provide support.

Legacy Products. In August 2012, former DCOP John Williams returned to Kyrgyzstan on a TDY to help formulate the program's legacy product(s). He helped facilitate two brainstorming discussions in Osh and Bishkek. The teams reached a consensus that the products should be accessible to different types of audiences, that they should depict the project's impact, and that they should demonstrate how target audiences can build upon KRTI's successes and experiences. OTI's Amy Noreuil and IRG's Austin Morton performed subsequent TDYs to help reinforce and carry forward the process of strategizing about the legacy products. Austin, a communications specialist, is developing a draft timeline and analysis, for KRTI's review and consideration.

Transitions in Leadership. In Year 2, KRTI saw significant transition among its senior leadership. OTI's Country Representative Ashley Moretz departed in August 2012 and OTI's Deputy Country Representative Richard Haselwood was selected to take his place. OTI is currently in the process of

finalizing the process of appointing Richard's replacement. IRG's Chief of Party Shannon Martinez is departing in October 2012 and will be replaced by Francois Vezina, who arrived in September to begin the handover process. KRTI's original DCOP/Operations, John Williams, left the project in May 2012 and his replacement, Christy Ferguson, remained in place until October. Christy's replacement is Ryan Flory, who formerly served as the Osh-based Regional Program Manager for two years. Ryan was replaced in July 2012 by Lucien Lefcourt.

Information and Evaluation. Given the increased importance of monitoring and evaluation on KRTI, the project adjusted the scopes and responsibilities of the Information Team to also include responsibilities associated with M&E. This team includes the Bishkek-based Information Manager and Information Assistant, plus the Osh-based Information Specialist. A fourth member of this team will be hired and housed within the Bishkek office.

Workflow Management. Throughout the past 12 months, KRTI introduced several improvements to workflow management. For example, troika meetings have been used effectively by the program and procurement teams to stay on track of activity implementation. Staff meetings are now held more regularly, on the first Monday of every month. Monthly joint program meetings were also introduced to allow the Osh and Bishkek teams to jointly develop national level activities. Greater emphasis is now placed on exchange visits between offices so that the staff can create better synergies in developing and implementing national level activities. Monthly "brown bag" meetings were organized around themes of interest to a broader team. A suggestion box was introduced so that the teams in Osh and Bishkek could propose ways to improve the project; one of the first actionable results of this box was the decision to add a high-capacity printer to the third floor in Bishkek (where the program team resides).

5. NEXT STEPS

Recommended priorities for FY 2013 (October 1, 2012 – September 30, 2013) include the following:

- Continue to complement high-impact soft activities on hot-button issues with national relevancy;
- Improve the quality of M&E activity notes (particularly the observed and unintended outcomes) to feed into stronger cluster evaluations and help inform future programming;
- Continue to identify linkages between past activities, as well as partners and initiatives with the best chance of success and impact;
- Continue to help improve the effectiveness, transparency and accountability of stakeholders with regard to key national issues;
- Conduct the fourth Strategy Review Session in October 2012 to review the program strategy;
- Develop and implement small-scale sector or community-specific external evaluations, which will ultimately help inform the final external evaluation at program closeout;
- Develop more specific action points for the development of legacy products; and
- Prepare for the December 2013 closeout.

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